

US phone subscribers hang up on contracts

May 10 2012, By PETER SVENSSON , AP Technology Writer

(AP) -- U.S. consumers have had their fill of expensive, contract-based phone plans.

Figures from T-Mobile USA on Thursday indicate that the U.S. wireless industry lost [subscribers](#) from contract-based plans for the first time in the [first quarter](#). Contract-based plans are the most lucrative ones for phone companies, and account for the vast majority of revenue at the big phone companies.

The seven largest U.S. phone companies, representing more than 95 percent of the market, lost a combined 52,000 subscribers from contract-based plans in the January to March period.

Since nearly every adult, and many children and [teenagers](#), already have phones, there's little room for growth anymore. But subscribers are also flowing to cheaper, no-contract plans, which showed an increase of at least 2 million.

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